GMO INTERNET GROUP

Q4 FYE 12/24 Results Presentation - Q&A

This document summarizes questions from participants at the financial results briefing held on February 12, 2025. Responses were provided by GMO Internet Group CEO Mr. Kumagai. Some answers have been supplemented by the IR Department.

●Consolidated Results

【Q1】 What is your outlook for operating profit in FY2025? Is the previous target of 15% year-on-year growth still a benchmark?

【A1】 With the withdrawal costs from the Thai securities business behind us and steady expansion expected in our rock-solid recurring revenue, we anticipate profit growth to exceed 15%, reflecting particularly strong earnings growth.

●Group Management

【Q2】 Following today's announcement of the reorganization of GMO Research & AI and GMO Town WiFi, should we expect further group restructuring? If so, how will these changes impact overall group revenue growth, and can they lead to new value creation?

【A2】 Yes, we will continue to optimize our organizational structure and accelerate the evolution of our group management in response to structural changes in society. As outlined in our "55-Year Plan," the Internet revolution has entered its second half, necessitating the strengthening of our business operations to remain competitive. Furthermore, with the acceleration of industry transformation driven by AI technological innovation, more agile management is essential. We will actively pursue organizational restructuring to enhance competitiveness and create new corporate value.

【Q3】 The group has already achieved significant synergies. What additional synergies do you expect from this latest reorganization?

【A3】 While we have generated synergies in the past, these were primarily focused on profit and loss synergies, mainly through business collaboration and financial performance improvement. Moving forward, we plan to accelerate the creation of balance sheet synergies as well.

Specifically, we will start by obtaining credit ratings for our larger companies, allowing us to secure financing independently through corporate bond issuance. Additionally, we are transitioning from JGAAP to IFRS accounting standards to establish a globally aligned management framework.

Our group management has traditionally functioned like an aircraft carrier, with the parent company providing a strong foundation while subsidiaries operated independently at full speed. Moving forward, we aim to establish a structure where multiple core companies act as carriers of growth, rather than relying solely on a single flagship entity.

●Shareholder Returns

【Q4】 Could you explain the timing and rationale behind the 10 billion yen share buyback?

【A4】 We experienced stock dilution due to challenges in our financial business during 2006-2007. To address this, we made a commitment to investors to offset the dilution and restore the number of outstanding shares. We have been steadily working toward the

goal disclosed on July 30, 2015.

This additional share buyback demonstrates our dedication to delivering on our commitment to investors. The amount reflects our strong confidence in our business strategy.

【Q5】 What is the background behind the group companies simultaneously revising their shareholder return policies (increasing dividend payout ratios)?

【A5】 First, I want to emphasize that this was not my decision but rather decisions made independently by each listed company through their respective board discussions.

Drawing from my 40 years of investment experience and over 25 years as a listed company executive, I believe stock price and market capitalization are fundamentally driven by two key factors: growth rate and dividend yield.

Recently, while many listed companies have enhanced shareholder returns in response to TSE reforms, our group had maintained its previous return policy unchanged. It is undeniable that this has resulted in a relative decline in our market standing.

Considering this situation, I shared my views with each company from the perspective of an investor, executive, and shareholder. However, the final decision was made independently by each company, leading to the current enhancement of shareholder returns.